



# MEDIA RELEASE

STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE

FOR IMMEDIATE RELEASE  
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## **TENNESSEE DEPARTMENT OF COMMERCE AND INSURANCE ANNOUNCES LANDMARK MULTI-STATE AGREEMENT WITH THE UNUM GROUP**

*Partnership between state insurance regulators and an insurer result in \$676.2 million in additional benefits paid to consumers across the nation*

Nashville, TN- - The Tennessee Department of Commerce and Insurance announces the completion and release of a report on the approximate four-year long evaluation of the insurance claims handling practices of the UNUM Group.

A multi-state agreement reached in November 2004 by insurance regulators in Tennessee, Maine, Massachusetts and New York and accepted by 48 states and the District of Columbia has come to a favorable conclusion for disabled consumers and for UNUM going forward.

In this unprecedented approach, state insurance regulators partnered with an insurer to successfully change corporate culture. Millions of disabled people across the nation have benefited. A copy of the just released final exam showing full compliance is available at [http://www.maine.gov/pfr/insurance/company/exam\\_reports/2007/pdf/Unum\\_Multistate\\_Examination\\_Report\\_4-14-08.pdf](http://www.maine.gov/pfr/insurance/company/exam_reports/2007/pdf/Unum_Multistate_Examination_Report_4-14-08.pdf).

The agreement reached with the company in 2004 included making significant changes in corporate governance such as adding three new directors subject to approval of state insurance regulators to its Board of Directors, implementing new claims procedures and standards for claims processing, enhancing and implementing new internal quality controls and requiring hands-on involvement of its Board of Directors in ensuring successful implementation of the new processes. The original agreement also included strong oversight, such as quarterly evaluations and monitoring the company by Tennessee's insurance regulators as well as other lead states.

The agreement also required a significant claim reassessment process of previously denied or terminated disability claims from approximately January 1997 through 2004. The claim reassessment process and the subsequent examinations are now complete. Applying newly prescribed industry review standards, the process reversed, in whole or in part, 41.7% of the claims reassessed. This resulted in a cumulative total of approximately \$676.2 million of additional benefits to consumers across the nation.

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